



## Memorandum

**TO:** PLANNING COMMISSION

**FROM:** Leslye Krutko and  
Stephen M. Haase

**SUBJECT:** SEE BELOW

**DATE:** November 2, 2005

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**COUNCIL DISTRICT:** Citywide  
**SNI:** All

**SUBJECT: AN ORDINANCE OF THE CITY OF SAN JOSE PROVIDING A LIMITED EXCEPTION TO ORDINANCE NO. 21663 THAT PRECLUDES SECONDARY UNITS, AND ADOPTING A TEMPORARY SECONDARY UNIT PILOT PROGRAM WHICH AUTHORIZES THE ISSUANCE OF A MAXIMUM OF 100 PERMITS FOR NEW CONSTRUCTION DURING A ONE-YEAR EVALUATION PERIOD FROM JANUARY 1, 2006 THROUGH DECEMBER 31, 2006, AND WHICH ESTABLISHES SPECIFIED REQUIREMENTS PERTAINING TO MINIMUM LOT SIZE, MAXIMUM UNIT SIZE AND NUMBER OF BEDROOMS, PARKING, DEVELOPMENT STANDARDS, DESIGN STANDARDS, AND APPLICABLE FEES.**

### **RECOMMENDATION**

It is recommended that the Planning Commission recommend the City Council approve the pilot program for secondary units, which does not exceed 100 total new permits during a period of one year from January 1, 2006 to December 31, 2006.

### **BACKGROUND**

Currently, State law requires local jurisdictions to either have a ministerial process to approve secondary dwelling units, or to make findings of adverse impact precluding them. In 1984, the City Council passed an ordinance precluding secondary units in the City of San José, citing traffic, infrastructure, and safety concerns as the major reasons for the prohibition. The ordinance and its findings are included with this report as Attachment A.

A secondary unit is a self-contained independent living area that is typically added to an existing single-family lot by the owner. A secondary unit is generally smaller than the primary unit, and may share a yard. Secondary units are also often referred to as accessory units and granny flats.

In August and October 2003, the Driving a Strong Economy Committee heard two presentations regarding the status of discussions and working group meetings surrounding the issue of secondary residential units. Based on the information provided at these meetings, the Committee directed the Departments of Planning, Building and Code Enforcement and Housing to draft parameters for a possible secondary unit ordinance in San José. On March 22, 2004 the Departments of Housing and Planning, Building and Code Enforcement presented the proposed parameters to the DSE Committee. The Committee recommended that the proposal and draft parameters go to the City Council for further direction.

At its April 6, 2004 meeting, the City Council debated whether to initiate an ordinance allowing secondary units. As a result, the Council unanimously directed staff to conduct public outreach to gather community input about the possibility of a secondary unit ordinance prior to any formal consideration of an ordinance. The Council directed staff to conduct up to two community meetings in each Council District. Between June and October of last year, Planning, Building and Code Enforcement and Housing Department staff made a total of 24 presentations throughout the City.

The Building Strong Neighborhoods and the Driving a Strong Economy Committees both heard staff's proposal for a limited pilot program at their April 2005 meetings. At the May 3, 2005 City Council meeting, the Council directed staff to proceed with drafting a limited pilot program for secondary units. The analysis section of the report discusses staff's proposed ordinance parameters.

## **ANALYSIS**

The proposed pilot program language is based on staff's original parameters, in combination with feedback from the 2004 community meetings and direction from the Council to: (1) consider using a variation of lot sizes of secondary units within the pilot program to determine which are most successful (i.e. units on 6,000 or 8,000 sq. ft. lots); and, (2) address concerns raised by the Council and the community city-wide, including the issues of parking and the total number of units.

Listed below are the proposed pilot program parameters, augmented with a discussion of each section of the proposed ordinance.

### ***Pilot Program Duration***

The pilot program will last from January 1, 2006 to December 31, 2006, with no more than one hundred (100) permits issued for the construction of new secondary units. The pilot program is to be set forth in an uncodified ordinance providing a limited exception to Ordinance No. 21663 (the original uncodified ordinance that generally precludes second units). The City Attorney's Office has drafted the pilot project ordinance to have a set expiration date ending December 31, 2006, so that there is no ambiguity about when this limited ordinance terminates or "sunset." In no event will the limit on 100 new units be exceeded during the period of the pilot program.

*Rationale:* Staff also considered devising a pilot program that was limited to a particular geographic area, or that was a limited duration with no limit on the number of permits issued. Staff is recommending a cap on the number of permits issued, because a cap explicitly specifies the number of units that can be built under a pilot program. A program with a definite ending date also gives a time frame for reevaluation of any positive or negative impacts of secondary units. Finally, a citywide program would help to give staff and decision-makers valuable information as to where secondary units are possible, and gives decision-makers the most information on the compatibility of secondary units with existing neighborhoods.

At the Driving a Strong Economy Committee, the Committee asked staff whether existing illegal units would be allowed to apply for a permit under the proposed parameters and how these units would impact the 100-unit limit proposed under the pilot program. Staff stated that if an existing illegal second unit could meet the parameters, it could be considered for a permit. Concern was expressed that the results of the pilot program might be skewed with the addition of these units because it would be harder to track community impacts since they already existed in the neighborhood. Therefore, the Committee recommended that staff consider whether it would be better to set limits on the number of new and existing units that could be permitted. City staff recommends that the proposed pilot program be limited to one year with a set expiration date and a limit not to exceed 100 new units granted permits under the pilot project, and that a limit not be set on the number of existing units that could apply and qualify within the given timeframe. When reporting the results of the pilot program back to City Council, staff will separate these two categories in order to better understand the true impacts of secondary units.

State law requires that a Secondary Unit permit be issued through a ministerial process. There are, however, a limited number of cases when a Secondary Unit permit application would also trigger the requirement for a discretionary permit. The primary instances of this would be when an attached unit is proposed as an addition to a single-family house in a Conservation Area, or any second unit proposed on a City Landmark property or property in a Historic District. Appropriate discretionary permits would still be required to ensure compatibility with the primary structure and site.

### ***Secondary Unit – Definition***

A secondary unit is an independent living unit that is clearly subordinate and ancillary to a primary dwelling unit. By definition, secondary units include a full kitchen (sink, food storage, and cooking facilities), and a full bathroom. Secondary units can either be attached to or detached from the main unit.

*Rationale:* This is a refinement of the original definition that was presented in the public outreach meetings. Staff is proposing the requirement for a full kitchen, to ensure that secondary units are fully functional, independent living units. A full kitchen requires that a range be a part of the cooking facilities, instead of a microwave oven or a hotplate.

### ***Applicable Districts***

Secondary units are allowed with a Secondary Unit permit in the R-1 zoning districts and any Planned Development district or cluster subdivision subject to the standards of an R-1 district.

*Rationale:* This is an expansion of the zoning districts that staff discussed at the public outreach meetings. Staff originally envisioned that the secondary units ordinance would only apply to R-1 zoning districts. Originally, staff did not consider including Planned Development Zoning districts in the secondary units ordinance, because development standards are specific to each project, and trying to devise a ministerial process that could apply to the full range of Single Family Planned Development districts seemed problematic. There is, however, a subset of Planned Developments whose development standards are tied to standard zoning districts. In staff's opinion, these planned developments are appropriate for inclusion in the pilot program, because there is no difference in the development regulations between those properties and properties in standard zoning districts.

### ***Minimum Lot Size***

- A. The minimum lot size for an attached secondary unit is 6,000 square feet.
- B. The minimum lot size for a detached secondary unit is 8,000 square feet.

*Rationale:* Staff is proposing different minimum lot sizes for attached and detached units. For attached units, which will appear to be an integral part of the existing house, staff is proposing a smaller minimum lot size, which would include the majority of single-family lots in the City. Per the Zoning Code, minimum lot size for the R-1-8 Single Family Residence district is 5,445 square feet, so the 6,000 square foot minimum lot size would exclude the smallest single family lots in the City. In terms of appearance from the street, attached secondary units should be nearly indistinguishable from other additions to single-family residences. Because attached units pose the fewest neighborhood compatibility problems, staff was comfortable proposing a lower minimum lot size threshold.

For detached units, staff is recommending an 8,000 square foot minimum lot size, 33% larger than the 6,000 square foot lot size requirement for an attached second unit. This larger lot size should allow for a reasonable amount of separation between the primary and secondary unit, and should allow for reasonably-sized private yards for the two units. Please see Attachment B for details on the number of eligible lots in each zoning district.

### ***Maximum Unit Size***

The maximum unit size for a secondary unit is 600 square feet of gross floor area, with a maximum of 400 square feet of space devoted to the bedroom.

*Rationale:* Based on citizens' concerns about density and secondary units changing the character of a neighborhood, staff reduced the maximum unit size from the parameters discussed at the public outreach meetings. Staff is proposing a 600 square foot maximum unit size, which would allow for a small independent living unit that is clearly subordinate to the primary living unit. The bedroom square footage maximum is one possible way to limit the occupancy of a secondary unit, and to encourage property owners to devote a reasonable amount of floor space to bathroom and kitchen facilities.

### ***Maximum Number of Bedrooms***

The maximum number of bedrooms allowed in a secondary unit is one.

*Rationale:* It is staff's opinion that a one-bedroom unit would allow some design flexibility, while remaining subordinate in size to a typical single-family home.

### ***Parking***

One additional on-site parking space is required for a secondary unit, in addition to the two required covered parking spaces for the primary unit. Tandem parking is permitted, provided it complies with the setback and paving requirements for residential districts.

*Rationale:* The proposed parking requirement is an attempt to strike a balance between concerns about loss of on-street parking and between appropriate regulation of secondary units. The proposed ordinance language would also require that existing non-conforming parking situation to be brought into compliance with the provisions of the current Zoning Ordinance.

### ***Development Standards***

Secondary units shall comply with all of the following development standards:

1. The secondary is subject to the setback requirements of the primary dwelling unit.
2. Detached secondary units must be located at least 60 feet from the front property line, in order for the second unit to be behind the primary unit.
3. Detached units must be located at least 6 feet away from the primary unit.
4. Detached units are limited to a maximum of one story and 16 feet in height, with an average roof height of 12 feet. Average roof height is measured halfway up the slope of the roof, and in no case may any portion of the roof height of a detached unit exceed 16 feet.

*Rationale:* The proposed development standards for attached units are identical to current setback requirements for the primary structures in single-family districts. The proposed

additional requirements for detached units would require detached units to be identical to accessory buildings in terms of height and separation from the primary structure. Detached secondary units would be slightly smaller in size (600 square feet versus 650 square feet) than permitted accessory structures, and would only be allowed within the buildable envelope. The front setback requirement is intended ensure that second units are located behind the primary dwelling unit. This requirement is parallel to an existing requirement that accessory buildings be located 60 feet behind the front property line.

### ***Design Standards***

Secondary units shall comply with the following design standards:

1. Secondary units shall use identical materials, including but not limited to roofing, siding, and windows and doors as the primary dwelling unit.
2. A secondary unit shall match the roof pitch of the primary dwelling unit.
3. The front door of any secondary unit shall not be visible from the street.

*Rationale:* Staff feels that these design standards achieve the desired goal of compatibility with the single-family look and feel of existing neighborhoods, while remaining ministerial in character.

### ***Application Requirements***

The property owner is required to certify that, at the time of application for a secondary unit permit, they reside on the subject property in the primary dwelling unit.

*Rationale:* This requirement tries to strike a balance between the desire to include an owner occupancy requirement as a part of the secondary unit application process, and the desire to avoid continuing code enforcement problems relating to an owner-occupancy provision. An applicant would have to certify that they live at the subject property at the time of the application. If the property owner later moved, the property would not be subject to an owner-occupancy provision.

Outside of the proposed parameters for a secondary units pilot program, there is also the issue of existing illegal units. Any existing units that could meet the proposed parameters would be eligible for legalization through the secondary unit permit process. Staff strongly recommends that existing units comply with the pilot ordinance, and therefore existing units that could not meet the proposed requirements would still be subject to enforcement, on a complaint-driven basis, by the Code Enforcement Division. Under the proposed ordinance, any unpermitted unit that meets the pilot Secondary Unit permit criteria would have the opportunity to obtain a Secondary Unit permit. Property owners would also have to obtain all relevant building and fire permits and inspections to legalize existing unpermitted units. This ability to legalize existing secondary units is one strategy for bringing these unpermitted units into compliance with the law.

### ***Applicable Fees***

A variety of fees are currently assessed to new development to pay for the processing and infrastructure impacts of projects. In order to encourage the development of secondary units and remove potential financial barriers, staff will evaluate the range of fees applicable to such development. A recommendation will be provided to the City Council for a fee restructure that recovers appropriate City costs and avoids creating a financial burden that would limit the development of this type of affordable housing.

### **NEXT STEPS**

The proposed pilot program will also be heard at the Driving a Strong Economy Committee and the Planning Commission before being heard by the full Council. The proposed ordinance is anticipated to provide for the Program to become effective by January 1, 2006, and run through the 2006 calendar year.

### **PUBLIC OUTREACH**

On October 13, 2005 the City's Housing Advisory Commission took a position of support related to the proposed ordinance parameters. The proposed ordinance parameters were also heard at the October 17, 2005 Building Strong Neighborhoods Committee and the October 24, 2005 Driving a Strong Economy Committee meetings. At both of those meetings, the committees received public testimony. On October 17, 2005, a public hearing notice was sent to the San Jose Post Record for publishing. This notice included the Planning Commission and City Council hearing dates for the proposed ordinance revision. In addition, staff sent e-mail notices to interested parties regarding the proposed Planning Commission and Council hearing dates. As indicated in the Background section of the report, in 2004 staff conducted a total of 24 community meetings throughout the City. As standard practice, staff posted the staff report and draft ordinance as well as the hearing dates on the Department's website.

### **COORDINATION**

This memorandum was coordinated with the City Attorney's Office.

### **CEQA**

The proposed project is exempt under CEQA Guidelines Section 15061(b)(3), which states that if it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, then the activity is not subject to CEQA. Given that secondary units would be required to be built within the buildable envelope of a lot, the proposed ordinance does not alter the amount or location of living space that can be built on a lot, but instead allows alternative living space configurations within the existing buildable area of a single-family lot. That fact, combined with fact that the proposed ordinance allows for a very

limited number of new secondary units citywide, makes it possible to see with certainty that the proposed ordinance will not have a significant effect on the environment.

LESLYE KRUTKO  
Director of Housing

STEPHEN M. HAASE  
Director of Planning, Building and  
Code Enforcement

Attachments (3)



Attachment  
"A"

ORDINANCE NO. 21663

AN ORDINANCE OF THE CITY OF SAN JOSE, PURSUANT TO THE REQUIREMENTS OF SECTION 65852.2 OF THE CALIFORNIA GOVERNMENT CODE, TO PRECLUDE SECOND UNITS WITHIN THE ONE-FAMILY, TWO-FAMILY, AND MULTI-FAMILY RESIDENTIAL DISTRICTS, EXCEPT AS PROVIDED IN EXISTING PROVISIONS OF TITLE 20 OF THE SAN JOSE MUNICIPAL CODE.

WHEREAS, Section 65852.2 of the California Government Code requires cities and counties to provide for the creation of second units in single-family and multi-family residential zones unless a preclusionary ordinance is adopted pursuant to Subsection (c) of said Section 65852.2; and

WHEREAS, Subsection (c) of Section 65852.2 of the California Government Code provides that no city or county shall adopt an ordinance which totally precludes second units within single-family and multi-family zoned areas unless the ordinance contains findings acknowledging that such action may limit housing opportunities of the region and further contains findings that specific adverse impacts on the public health, safety, and welfare that would result from allowing second units within single-family and multi-family zoned areas justify adopting such an ordinance; and

WHEREAS, the Council has considered reports which are part of the public record, taken testimony and evidence, and conducted deliberations on the provision of second units within the City of San Jose in full session on June 14, 1983, before its Community Development Committee on October 17, 1983, before its Committee of the Whole on November 11, 1983, and again in full session on December 6, 1983; and

WHEREAS, the Council hereby intends to adopt an ordinance to preclude second units within the One-Family, Two-Family, and Multi-Family Residential Districts, except as such units may be permitted under existing provisions of Title 20 of the San Jose Municipal Code, based on the findings required to be made pursuant to said subsection (c) of Section 65852.2:

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

Section 1. The Council, after full consideration, hereby expressly finds that the allowance of second units within the One-Family, Two-Family, and Multi-Family Residential zoning districts of the City of San Jose, except as provided in existing provisions of Title 20 of the San Jose Municipal Code, will have specific adverse impacts on the public health, safety, and welfare of the community. In particular:

- A. It is estimated that second units could be created in conjunction with ten percent of San Jose's existing and projected single-family housing units. As such, almost 26,000 second units could be created in the City by 1990, and it is expected that certain areas of the City, because they contain larger single-family lots, would be more heavily impacted with such units. These areas are in Council Districts 3, 5, 6, and 10.
- B. As of January 1984, the City of San Jose has a population of approximately 680,000 and administers an area of some 168 square miles. The city includes a unique combination of aging central city neighborhoods, particularly those in Council Districts 3, 5, and 6, and rapidly expanding suburban areas, each with its own demands on City resources. The creation of second units would put additional strains on the City's budget and would contribute to cost and revenue problems and pressures which are unique to San Jose.
  1. Because of the imbalance of jobs and housing with respect to other local jurisdictions, San Jose in 1982-83 had the second lowest per capita assessed evaluation of the fifteen cities in Santa Clara County. San Jose had approximately 50 percent of the County population and only 40 percent of the assessed valuation. The low tax base per unit of population shows up in the increasing strain on the City to finance municipal services relative to most other cities in Santa Clara County.
  2. The 1981-82 budget included provisions for service at levels below median levels of other major cities in the western United States, and below San Jose 1976-77 levels.
  3. San Jose has a larger number of capital facilities, such as streets and sewer lines, than comparably populated cities in the western United States, but a significantly smaller budget for maintaining and operating such facilities.
  4. For example, San Jose has an extensive sanitary sewer system and, at the same time, a limited budget for maintaining that system. The system is 160 percent of the median system size of other western cities of similar population, yet the level of maintainence is 33 percent of what these other cities provide.

5. Projections of costs and revenues show major unfunded needs for the construction, replacement and rehabilitation of the infrastructure facilities required to maintain adopted level of service standards. These unfunded capital needs are estimated at \$146.8 million and are necessary to accomodate buildout of the General Plan absent any additional planned or unplanned growth such as the creation of second units.
  6. From 1970 to 1980, San Jose experienced a 45 percent increase in population and a 258 percent increase in index crimes (murder, rape assault, burglary, robbery, auto theft, and grand theft). This increase in the number of index crimes is nearly six times higher than the population increase. Police staffing while it has been expanded has not increased commensurate with new demands for service. Currently, San Jose has 1.37 sworn officers per 1000 population, a ratio which is the lowest of the ten major cities in California.
  7. During the ten year period from 1971 through 1981, Fire Department staffing levels in the City relative to population declined from .98 authorized sworn personnel per 1000 population to .92 per 1000. At this level, San Jose ranked ninth of the ten major California cities in terms of Fire Department staffing per capita.
- C. Ultimate infrastructure capacities in San Jose are designed and constructed to serve planned land uses as set out in the Land Use/ Transportation Diagram of the General Plan. As the development of the city approaches General Plan buildout, there will be increasing limitations on the ability to expand existing infrastructure systems to accomodate unplanned changes in land use such as the creation of second units. Departures from planned land uses will require the construction of new facilities.
1. San Jose's 106.28 millions-of-gallons-per-day (MGD) share of ultimate Water Pollution Control Plant (WPCP) capacity will accomodate a buildout of the land uses provided in the General Plan to within 1/10th of an MGD. This buildout is expected to occur by the mid 1990s. More growth than is contemplated in the General Plan, such as the creation of second units, would require additional sewage treatment capacity.
  2. The ultimate sanitary sewer system in San Jose is designed to accomodate the land use pattern provided in the General Plan. Changes in the density of such land use, such as the creation of second units, would cause localized sewer capacity deficiencies. There are presently over 1600 miles of sanitary sewer lines in the City of San Jose. Construction to complete the sanitary sewer system for General Plan buildout is estimated to cost \$35.6 million. Projected revenues for this purpose are \$29 million in Connection Fees, leaving an anticipated shortfall of \$6.6 million.
  3. It is projected that there will be a \$26 million shortfall in revenue for construction of the \$82.5 million worth of city streets required to accomodate General Plan buildout after completion of projects

identified in the 1983-88 Capital Improvement Program. In addition, there is an identified \$33 million need to replace or rebuild minor neighborhood streets in older areas of San Jose which were not originally constructed to City standards. It is these older areas which would receive the larger share of second units. No funding source for this need has been identified.

4. The General Plan provides for a land use pattern and transportation system which will be marginally in balance at an overall traffic level-of-service 'D' at buildout, assuming that changes in travel behavior (transit diversion, reduced trips, etc.) materialize as forecasted. While the overall level-of-service will be 'D' at buildout, some areas will experience levels-of-service below 'D', such as the Cambrian-Pioneer area if improvements are not made to Route 85, and other areas of the city if unplanned development or density increases take place.

- D. Many areas of the City, particularly older neighborhoods, are experiencing traffic problems on local streets. These problems involve excessive traffic volumes, speeding, noise, and other traffic-related phenomena. In many cases, these neighborhood traffic problems have resulted from the lack of major regional transportation facilities, particularly expressways and freeways, which have been committed to by the state but which remain unfunded. Traffic related problems can degrade the quality of life for neighborhood residents, and would be exacerbated by the creation of second units with the additional population, traffic, and parking demand they would generate in various neighborhoods.

For example, each second unit would generate the need for an average of one additional parking space. With an estimated 26,000 second units being created in San Jose by 1990, or in conjunction with ten percent of the city's single-family housing stock, the impact on certain neighborhoods could be significant. While the requirement could be made for provision of additional off-street parking for each second unit created, the practical effect of allowing second units would be additional on-street parking in many neighborhoods. This effect would be especially serious in older neighborhoods, especially those in Council District 3, which would receive the larger share of second units and which already have critical on-street parking problems. It would also be serious in the many newer neighborhoods which are already characterized by multi-car families.

Section 2. The Council hereby acknowledges and finds that the preclusion of second units within the City of San Jose will limit housing opportunities in the region. However, San Jose has played and will continue to play a major role in the provision of regional housing opportunities:

- A. Under the current General Plan, San Jose will by 1990 add approximately 84,000 dwelling units to its 1975 stock of approximately 185,000 dwelling units.

- B. In each year from 1970 to 1980, over half of the new dwelling units authorized in Santa Clara County were in San Jose. That share had reached 60 percent by 1980. By comparison, from 1975-80, new jobs in other County jurisdictions increased by 109,000, while dwelling units in these jurisdictions increased by only 17,300. In 1983, San Jose provided housing for 74,214 people employed outside of the City.
- C. Along with providing a large share of the new housing, San Jose has also provided a wider range of prices and a majority of the lower-priced housing in Santa Clara County. For the first nine months of 1983, San Jose's share of the residential units in the County was 70 percent, while its share of the residential valuation was only 49 percent. In addition, the median price of non-condominium residential units in San Jose was the third lowest in the County.
- D. Over the past two years, San Jose has adopted a number of ordinances aimed at streamlining the approval of housing projects proposed by the private sector in San Jose. These include the following:
  - 1. New provisions for City as well as private initiation of Planned Development (PD) zoning. Such zoning is especially important in implementing the mixed-density and mixed-use designations provided in the General Plan, as well as providing for more flexible residential and commercial development and redevelopment of the Downtown area.
  - 2. New conforming zoning designations which allow for shorter-time processing of certain rezoning proposals which already conform to the General Plan.
  - 3. New provisions which allow for the placement of mobilehomes on individual single family lots.
  - 4. New provisions for regulating the conversion of mobilehome parks with permanent occupancy to travel trailer parks with transient occupancy.
  - 5. New provisions regulating the conversion of apartments and rental housing to condominiums and providing consumer protection for potentially displaced residents.
- E. In addition to the above, San Jose is currently implementing the following housing assistance programs:
  - 1. Single-family Mortgage Revenue Bond Program which provides financing for ownership housing units for low and moderate income households at below market mortgage rates. In March 1983, the City sold \$43.4 million worth of these mortgage revenue bonds. The bond proceeds are being used to make 9.8 percent 30-year fixed term mortgages to low and moderate income first time homebuyers in 22 developments in San Jose. It is anticipated that 500 or more homes will be financed through this program.
  - 2. Multi-family Housing Bond Program which provides financing of multi-family rental projects, 20 percent of which must be set aside

for low-income families. The City has issued bonds for a 360-unit project and two other projects totaling 368 units are pending. From these developments, 146 low-income units will be provided.

3. CDBG Funds which since 1975 have been used in rehabilitating some 650 residential units.
4. The 20 percent Redevelopment Housing Fund which uses 20 percent of the revenue received through tax increment financing of redevelopment projects for low and moderate income housing. It is estimated that this fund will contain \$30 million by 1986. So far, this fund has been used for the 45-unit Canoas Garden ownership project, the 78-unit Chai House senior citizen project, 6 town homes at St. James and Sixth Streets, and 17 units of manufactured housing in the Mayfair One Project in Alum Rock.

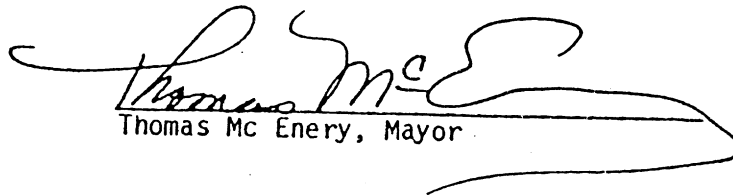
The above described programs are helping to address the housing problem and fulfill the goals and housing needs as stated in San Jose's Housing Assistance Plan. The provision of second residential units in single-family districts does not necessarily equate with providing housing for low and moderate income persons.

Section 3. The provisions of Subsection A of Section 20.24.020, Subsection A of Section 20.24.150, and Subsection A.1 of Section 20.24.260, of Title 20 of the San Jose Municipal Code, which limit "One-family Dwellings" to "only one such dwelling per lot or parcel," in the One-Family, Two-Family, and Multi-Family Residential Districts, are hereby reaffirmed. The Council declares that it is the intent of these provisions to preclude the creation of "second units," as defined in Subsection (d) of Section 65852.2 of the California Government Code, in said Residential Districts, except as provided in existing provisions of said Title 20. Under these existing provisions, attached "second units" which convert "One-family Dwellings" to "Two-family Dwellings" are permitted under Subsection I of Section 20.24.150, and <sup>(now Subsection A.10)</sup> Subsection A.9 of Section 20.24.260, in the Two-Family and Multi-Family Residential Districts. In addition, second units may be permitted in appropriate residential areas through adoption of (PD) Planned Development zoning which combines with base Residential zoning.


Section 4. The City Clerk is hereby directed to transmit a copy of this ordinance to the California Department of Housing and Community Development.

PASSED FOR PUBLICATION OF TITLE this 15th day of May, 1984, by the following vote:

AYES: ALVARADO, BEALL, FLETCHER, HAMMER, LEWIS, RYDEN, SAUSED0,  
WILLIAMS AND McENERY  
NOES: ESTRUTH  
ABSENT: IANNI

  
Thomas Mc Enery, Mayor

ATTEST:

  
Helen Jackson, City Clerk

2751L:3025L:16-22

## Attachment B

The following two tables summarize the number of eligible lots in each zoning district.

**City of San Jose**  
**Parcels with R-1 or PD Zoning (over 6,000 square feet)**  
**and a Single-Family Residential General Plan Designation,**  
**by City Council District**

<b>Council District</b>	<b>Parcel Count</b>	<b>% of Total</b>	<b>Parcel Area (acres)</b>	<b>% of Total</b>
1	11,753	14.4%	1,975	13.9%
2	11,074	13.6%	1,881	13.2%
3	1,327	1.6%	253	1.8%
4	9,525	11.7%	1,601	11.3%
5	4,052	5.0%	732	5.1%
6	9,237	11.3%	1,796	12.6%
7	4,734	5.8%	833	5.9%
8	6,654	8.2%	1,186	8.3%
9	16,356	20.0%	2,803	19.7%
10	6,907	8.5%	1,161	8.2%
<b>Total</b>	<b>81,619</b>	<b>100.0%</b>	<b>14,221</b>	<b>100.0%</b>

Table 1. R-1 parcels over 6,000 square feet in area, by Council District.

**City of San Jose**  
**Parcels with R-1 or PD Zoning (over 8,000 square feet)**  
**and a Single-Family Residential General Plan Designation,**  
**by City Council District**

<b>Council District</b>	<b>Parcel Count</b>	<b>% of Total</b>	<b>Parcel Area (acres)</b>	<b>% of Total</b>
1	2,427	14.8%	554	12.9%
2	1,633	10.0%	463	10.8%
3	366	2.2%	107	2.5%
4	1,383	8.4%	370	8.6%
5	898	5.5%	250	5.8%
6	3,462	21.1%	891	20.8%
7	782	4.8%	237	5.5%
8	1,237	7.6%	361	8.4%
9	3,148	19.2%	778	18.2%
10	1,037	6.3%	274	6.4%
<b>Total</b>	<b>16,373</b>	<b>100.0%</b>	<b>4,285</b>	<b>100.0%</b>

Table 2. Parcels over 8,000 square feet in area, by Council District.



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF SAN JOSE, EFFECTIVE AS OF JANUARY 1, 2006 AND EXPIRING AS OF DECEMBER 31, 2006, PROVIDING FOR A LIMITED EXCEPTION TO ORDINANCE NO. 21663 WHICH PRECLUDES SECOND UNITS, AND AUTHORIZING A TEMPORARY SECOND UNIT PILOT PROGRAM FOR THE ISSUANCE OF A MAXIMUM OF 100 SECOND UNIT PERMITS FOR NEW CONSTRUCTION DURING A ONE-YEAR EVALUATION PERIOD, WHICH PILOT PROJECT AUTOMATICALLY TERMINATES IF 100 PERMITS ARE ISSUED DURING THE EVALUATION PERIOD OR NO LATER THAN THE EXPIRATION DATE OF THE ORDINANCE, AND WHICH ESTABLISHES SPECIFIED REQUIREMENTS PERTAINING TO MINIMUM LOT SIZE, MAXIMUM UNIT SIZE AND NUMBER OF BEDROOMS, PARKING, DEVELOPMENT STANDARDS, DESIGN STANDARDS, AND APPLICABLE FEES**

**WHEREAS**, Government Code Section 65852.2 of the California Government Code requires cities and counties to provide for the creation of second units in single-family and multi-family residential zones unless a preclusionary ordinance is adopted pursuant to Subsection (c) of said Section 65852.2; and

**WHEREAS**, the Council of the City of San Jose adopted Ordinance No. 21663 on May 15<sup>th</sup>, 1984, in accordance with said Section 65852.2(c), precluding second units within the City of San Jose; and

**WHEREAS**, Ordinance No. 21663 details the impacts that an unrestricted program for second units would likely have on the City's budget and operation and maintenance of City infrastructure and services; and

**WHEREAS**, the Council of the City of San Jose desires to establish a limited exception to the preclusion of second units within the City as a pilot program only, thereby avoiding the potential impacts of an unrestricted program for second units, so as not to create the potential burdens that were analyzed and determined in Ordinance No. 21663; and

**WHEREAS**, the pilot program is limited to no more than 100 new units within the City during calendar year 2006, and additionally allows the issuance of permits for those

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existing second units that comply with the provisions of this Ordinance and applicable provisions of the Building and Zoning Codes; and

**WHEREAS**, this limited exception to Ordinance No. 21663 and the pilot program approved in this Ordinance commences on January 1, 2006 and will expire no later than December 31, 2006 after which period the general prohibitions on such units contained in Ordinance No. 21663 will continue in full force and effect, unless Council by further action amends or extends the pilot program; and

**WHEREAS**, nothing in the adoption of this pilot program shall be deemed to authorize or permit any unlawful units constructed in violation of Ordinance No. 21663 or the City's Municipal Code, or that do not conform with the requirements and conditions of this Ordinance; and

**WHEREAS**, on November 2, 2005, this Ordinance was found to be categorically exempt from environmental review per the provisions of Section 15061(b)(3) of the California Environmental Quality Act of 1970, as amended, under File No. PP05-196;

**NOW, THEREFORE**, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

**Section 1. Definitions**

- A. **Primary Dwelling Unit.** A "primary dwelling unit" is the principle residential structure on a parcel that has been lawfully constructed in accordance with applicable provisions of the San Jose Municipal Code.
- B. **Second Unit.** A "second unit" means an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons, that includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary single-family dwelling is situated, and that also meets all of the following requirements:
- (1) is built in accordance with the Building Code set forth in Title 24 of the San Jose Municipal Code ("Municipal Code"), and, except as expressly set forth in this Ordinance, to the provisions of the Zoning Code in Title 20 of the San Jose;
  - (2) includes a full kitchen (including a sink, food storage, and permanent cooking facilities such as a oven and range or cooktop); and

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(3) includes a full bathroom.

**Section 2. Permit Required.** No second unit may be constructed in any part of the City unless a permit authorizing the construction of the second unit is obtained from the Director of Planning, Building, and Code Enforcement.

**Section 3. Restrictions on Issuance of Second Unit Permit.**

A second unit permit shall not be issued unless the application for the permit complies with all of the following requirements:

- A. **Zoning District.** A second unit shall only be permitted pursuant to this Ordinance in the R-1 Zoning District (as defined in Section 20.30.010 of Chapter 20.30 of Title 20 of the San Jose Municipal Code), or in Planned Development districts or cluster subdivisions that are authorized in accordance with Chapter 20.60 of Title 20 of the San Jose Municipal Code and that are subject to the standards of an R-1 Zoning District.
- B. **Minimum Lot Size.** The minimum lot size for a second unit that is attached to a primary dwelling unit shall be 6,000 square feet. The minimum lot size for a second unit that is detached from a primary dwelling unit shall be 8,000 square feet.
- C. **Maximum Second Unit Floor Area.** The maximum gross floor area for a second unit shall not exceed 600 square feet.
- D. **Maximum Bedroom Area.** A second unit shall be limited to one bedroom. The bedroom shall not exceed more than 400 square feet of the maximum gross floor area.
- E. **Required Parking.** One additional on-site parking space, in addition to the two required on-site parking spaces for the primary dwelling unit, is required for a second unit. Tandem parking that otherwise complies with setback and paving requirements set forth in Section 20.90.120 of the Municipal Code, shall be permitted.
- F. **Development Standards.** Second units shall comply with all of the following development standards:
  - 5. The second unit shall be subject to the setback requirements of the Zoning District in which the primary dwelling unit is located, as set forth in Chapter 20.30 of the Municipal Code.

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6. Detached second units shall be located at least 60 feet from the front property line, in order for the second unit to be located behind the primary unit.
7. Detached units shall be located at least 6 feet away from the primary dwelling unit.
8. Detached units shall be limited to a maximum of one story and 16 feet in height, with an average roof height of 12 feet. Average roof height is measured halfway up the slope of the roof, and in no case shall any portion of the roof height of a detached unit exceed 16 feet.

G. **Design Standards.** Second units shall comply with the following design standards:

4. Second units shall use identical materials, including but not limited to roofing, siding, and windows and doors as the primary dwelling unit.
5. A second unit shall match the roof pitch of the primary dwelling unit.
6. The front door of any second unit shall not be visible from the street.

**Section 4. Application Requirements.**

- A. **Owner of Record.** Only the owner of record of the property may apply for and be issued a permit for a second unit. Nothing in this Section 4(A) shall be deemed to affect the legal status of a second unit built with a lawfully issued permit if the property is subsequently transferred or sold, or the primary dwelling unit or second unit is subsequently rented or leased.
- B. **Occupancy of Primary Dwelling Unit.** The owner of record shall certify, on the application for the second unit permit, that he or she resides on the parcel in the primary dwelling unit at the time of application.
- C. **Code Compliance – Primary Dwelling Unit.** A second unit permit shall not be issued to the owner of record of any primary dwelling unit if the primary dwelling unit is not in compliance with applicable Zoning and Building Code requirements at the time of application for the second unit permit.
- D. **Applicable Fees.** An applicant for a second unit permit shall be required to pay all applicable fees assessed to new development as such fees are set forth by Council resolution.

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**Section 5. Existing Second Units.** Second units that pre-date the adoption of this Ordinance, and that meet the criteria of this pilot program as specified in this Ordinance, are be eligible to obtain legal status, upon application and issuance of applicable permits for the existing second unit, and provided that the primary dwelling unit is otherwise in compliance with applicable Zoning and Building Code requirements as specified in Section 4(C) above. Issuance of permits for existing second units shall not be subject to the limit of 100 permits for new second units.

**Section 6. Other Permits Required.** Nothing in this Ordinance supercedes requirements for obtaining development permits pursuant to Title 20 of the Municipal Code, or for properties subject to the Historic Preservation Permit requirements set forth in Chapter 13.48 of Title 13 of the San Jose Municipal Code.

**Section 7.** The provisions of this ordinance will take effect on January 1, 2006.

**Section 8. Termination of Pilot Program.** This Ordinance and the second unit pilot program set forth herein shall expire and be of no further force and effect as of December 31, 2006. The expiration of this Ordinance and the second unit pilot program shall not affect the permitted legal status of second units duly authorized during the pilot program. Upon expiration of this Ordinance, or upon the issuance of 100 second unit permits, whichever first occurs, the preclusion of second units set forth in Ordinance No. 21663 shall automatically resume.

**Section 9. Status of Existing Unlawful Second Units.** Nothing in this Ordinance shall be deemed to affect the legal status of second units that pre-date the adoption of this Ordinance and are not otherwise lawful under the Municipal Code or the provisions of this Ordinance, or for which second unit permits are not obtained during the pilot program authorized under this Ordinance. The City may enforce the federal, state, and local laws, rules and regulations applicable to such unlawful second units to the fullest extent permitted by law.

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PASSED FOR PUBLICATION of title this \_\_\_\_\_ day of \_\_\_\_\_, 2005, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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RON GONZALES  
Mayor

ATTEST:

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LEE PRICE, CMC  
City Clerk